

## Management report of the Board of Directors *dated 30/06/2019*

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1. We are pleased to report to you on the activities of the Company during the period from 1 January 2019 to 30 June 2019. In accordance with the law and our articles of association, we hereby submit the accounts for your information. The annual accounts are presented in Euros.
2. The Company recorded a result of EUR 164 330.  
Total assets amounted to EUR 1 471 390 092 as at 30 June 2019, compared with EUR 1 459 979 622 as at 31 December 2018.  
  
The financial assets are composed by:
  - loans to affiliated undertakings: EUR 1 443 280 564
  - structured deposits to affiliated undertakings: EUR 1 325 135
  - accrued interests: EUR 16 037 018  
The cash at bank amounts to EUR 5 381 063
3. Risks and uncertainties facing the Company:  
  
The Company is actively managing risk on its existing portfolio by ensuring that the entity maintains a market risk neutral position. These risks are overseen by an independent risk management function and a risk committee which are in turn overseen by the risk management function, committees and audit functions at KBC Bank NV level, in accordance with outsourcing agreements taken out by the Company.
4. Activities in research and development, as provided for by law, are not applicable to the Company.
5. The Company did not purchase any of its own shares.
6. The Company has no branch offices.
7. New activities have been launched in 2017 (tRACER) and 2018 (tJUMPER) using KBC IFIMA S.A. as a vehicle of warrant issuance. The first items have been issued in December 2017 for tRACER and September 2018 for tJUMPER.

8. A dividend of EUR 408 657 has been paid on 11 June 2019.
9. No subsequent event has occurred since 30 June 2019.
10. The Company is included in the consolidated accounts drawn up by the KBC Group.

Luxembourg, 06 August 2019

The Board of Directors:

Ivo BAUWENS  
Fatima BOUDABZA  
Frank CAESTECKER  
Rik JANSSEN  
Sabrina GOCKEL